

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2008-302-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY – APPLICATION FOR MID-PERIOD ADJUSTMENT IN TWO PHASES OF THE BASE RATES CHARGED BY SCE&G FOR THE RECOVERY OF THE FUEL COSTS ASSOCIATED WITH ITS SERVICE TO RETAIL ELECTRIC CUSTOMERS

On August 5, 2008, South Carolina Electric & Gas Company (“SCE&G” or “Company”) filed an Application with the Public Service Commission of South Carolina (“Commission”) requesting that the Commission order in two phases a mid-period increase of the base rates charged by SCE&G for the recovery of the fuel costs associated with its service to retail electric customers. The increases are requested to reflect current prices of coal and other fuels in the rates SCE&G currently charges its customers. The Application was filed pursuant to the South Carolina Fuel Clause Statute, S.C. Code Ann. § 58-27-865(D) (1976, as amended); and the Commission’s Rules of Practice and Procedure, 26 S.C. Code Ann. Regs. 103-823 (1976, as amended).

SCE&G states in the Application that the price of coal consumed in generating electric power to serve its customers has increased by approximately 75% since the fuel factors currently being charged were approved. Additionally, SCE&G states that natural gas prices have been volatile and at higher prices than originally projected. SCE&G states that its fuel cost recovery account reflects an under collection of \$87.1 million as of June 30, 2008 and that if rates are not adjusted in the interim, the under collection is predicted to be \$207.2 million when the next regularly scheduled adjustment is made in May of 2009. SCE&G states in its Application that it seeks an adjustment in rates now to reduce to approximately \$91.2 million the forecasted under collection that will be required to be reflected in rates when the 2009-2010 fuel cost recovery factors are established.

SCE&G requests that the Commission phase-in the resulting increase into its fuel factors through an increase of approximately 6.5 mills to take effect for bills rendered on and after the first billing cycle of November 2008, and an increase of an additional 6.5 mills to take effect for bills rendered on and after the first billing cycle of January 2009: For the November 2008 increase, an average residential customer will see an increase of 6.06%, an average commercial customer will see an increase of 7.37%, and an average industrial customer will see an increase of 12.05%. For the January 2009 increase, an average residential customer will see an additional increase of 5.72%, an average commercial customer will see an additional increase of 6.86%, and an average industrial customer will see an additional increase of 10.75%. Amount and percentage of increases may vary within these categories, and individual customer bill increases may also vary depending upon actual usage patterns and amount of consumption.

A copy of the Company’s Application may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the Application is available on the Commission’s website at www.psc.sc.gov and is available from the corporate office of South Carolina Electric & Gas Company at 1426 Main Street, Columbia, South Carolina, 29201.

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In order to receive testimony and evidence from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina commencing at **10:30 a.m. on Monday, October 20, 2008.**

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination must file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **September 19, 2008**, and indicate the amount of time required for his presentation. Please include an email address in the Petition to Intervene for receipt of future Commission correspondence. ***Please refer to Docket No. 2008-302-E.***

Any person who wishes to testify and present evidence at the hearing must notify the Docketing Department, in writing, at the address below, the South Carolina Office of Regulatory Staff at Post Office Box 11263, Columbia, South Carolina 29211, and K. Chad Burgess, Senior Counsel, South Carolina Electric & Gas Company, 1426 Main Street, Mail Code 130, Columbia, South Carolina 29201, on or before **September 19, 2008**, and indicate the amount of time required for his presentation. ***Please refer to Docket No. 2008-302-E.***

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before **September 19, 2008. Please refer to Docket No. 2008-302-E.**

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211

8-6-08